

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VG0B-99/0720-0737

ELECTIONS, UNIT: VC-4057

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER


1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on September 7, 1999, and recorded at Book 349, Page 479 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on October 1, 1999 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
 - (a) The Board Order directed Equitable Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
 - (b) The designated operator filed its affidavit of mailing dated November 3, 1999, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
 - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated November 3, 1999, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit

of Election”), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board’s Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;


- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein “Statement of Interests”); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B.
 - (e) Current Board standards requiring the escrow of funds and the Board’s agreement with its Escrow Agent, First Virginia Bank- Mountain Empire, P.O. Box 1038, Abingdon, Virginia 24212, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, ~~First Virginia Bank-Mountain Empire, Trust Department/ P.O. Box 1038/ Abingdon, Virginia 24212~~,* or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
 4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copy of this Order to each person whose interest or claim is subject to escrow and whose address is known.
 5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
 6. Effective Date: This Order shall be effective on the date of its execution.

* First Union National Bank
 Corporate Trust PA 1328
 123 South Broad Street
 Philadelphia, PA 19109-1199 Telephone 215 985-3485

DONE AND EXECUTED this 16th day of November, 1999 by a majority of the Virginia Gas and Oil Board.

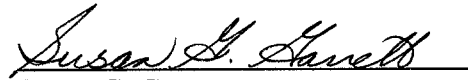

Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 29th day of November, 1999, by Order of this Board.


B. R. Wilson
Acting Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

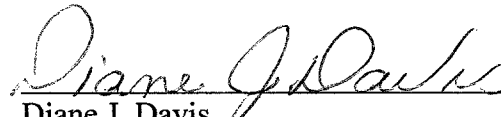
Acknowledged on this 16th day of November, 1999, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/2002

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 29th day of November, 1999, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Acting Principal Executive to the Staff Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires: 9/30/2001

VIRGINIA:***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number VC-4057, VGOB Docket No. VGOB-99/0720-0737 in the Kenady Magisterial District of Dickenson County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on September 7, 1999, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on October 1, 1999.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE
6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and

the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

The following revenue interests are **subject to escrow** provisions due to conflicting Claims as between the gas owner and the coal owner:

Tract	Lessor	Net Revenue Interest	
2 Gas Estate	Charles W. Grizzle Heirs Address Unknown	0.00087500	RI
	OR		
2 Coal Estate	A. J. Lambert & Ann P. Lambert, H/W	0.00010937	RI
	Linda Lambert Loftin & Raymond Loftin, W/H	0.00010937	RI
	Bernice Lambert Pegram & G. Worthy Pegram, Jr., W/H	0.00010937	RI
	Abbie Lambert Amos & Arthur Amos, W/H	0.00010937	RI
	Rose Lambert Short & Jerry Short, W/H	0.00010938	RI
	Joan Lambert McGirt & Harris McGirt, W/H	0.00010938	RI
	Greg Lambert, Single	0.00005469	RI
	Mary Frances L. Dotson & C. W. Dotson, W/H	0.00005469	RI
	Ocie G. Sutherland, Widow	0.00003646	RI
	Dennis Sutherland & Charlotte Sutherland, H/W	0.00003646	RI
	Linda Carol Rainey & Don Rainey, W/H	0.00003646	RI

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

TRACT	LESSOR	ACRES	CASH CONSIDERATION (Total Acres x \$5.00)
2	Charles W. Grizzle Heirs Address Unknown	0.4100	\$2.05 <i>Subject to Escrow</i>

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 3rd day of November 1999.

James E. Kaiser
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Production Company, f/k/a Equitable Resources Energy Company, a corporation, on behalf of the corporation, this 3rd day of November, 1999.

My commission expires: July 31, 2001

Jamie E. Fuller
Notary

BK 35126 EXHIBIT "B"

VC-4057

VGOB 99-0720-0737

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Pittston Company c/o Pine Mountain Oil & Gas, Inc. Attn: Richard Brillhart P. O. Box 5100 Lebanon VA 24226	Leased-EPC 241490L 01 T-105	99.300000%	58.3600	0.12412500	RI
	Equitable Production Company				0.86887500	WI
Tract 1 Totals			99.300000%	58.3600	0.99300000	
2	Charles W. Grizzle Heirs Address Unknown	Deemed Leased	0.700000%	0.4100	0.00087500	RI
	Equitable Production Company				0.00612500	WI
Tract 2 Totals			0.700000%	0.4100	0.00700000	
TOTAL GAS ESTATE			100.000000%	58.7700	1.00000000	

EXHIBIT "B"

VC-4057

VGOB 99-0720-0737

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Coal Estate Only</u>						
1	Pittston Company c/o Clinchfield Coal Company Attn: Steve Smith P. O. Box 7 Dante, VA 24237	Leased-EPC 241490L 01 T-105	99.300000%	58.3600	0.12412500	RI
	Equitable Production Company				0.86887500	WI
Tract 1 Totals			99.300000%	58.3600	0.99300000	
2	A. J. Lambert and Ann P. Lambert, H/W P O Box 394 Nora, VA 24272	Leased-EPC 244728L 01	0.087500%	0.0513	0.00010937	RI
	Linda Lambert Loftin & Raymond Loftin, W/H 808 Wright Avenue Chesapeake, VA 23324	Leased-EPC 244728L 01	0.087500%	0.0513	0.00010937	RI
	Bernice Lambert Pegram & G. Worthy Pegram, Jr., W/H 1120 Virginia Avenue Chesapeake, VA 23324	Leased-EPC 244728L 01	0.087500%	0.0513	0.00010937	RI
	Abbie Lambert Amos & Arthur Amos, W/H 221 Blufffield Lane Lancaster, VA 22503	Leased-EPC 244728L 01	0.087500%	0.0513	0.00010937	RI
	Rose Lambert Short & Jerry Short, W/H 205 34th Street #1605 Virginia Beach, VA 23451	Leased-EPC 244728L 01	0.087500%	0.0513	0.00010938	RI

EXHIBIT "B"

VC-4057

VGOB 99-0720-0737

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
	Joan Lambert McGirt & Harris McGirt, W/H 6868 Bay Short Drive Lantana, FL 33462	Leased-EPC 244728L 01	0.087500%	0.0513	0.00010938	RI
	Greg Lambert, Single 20387 Delano Drive Abingdon, VA 24210	Leased-EPC 244728L 01	0.043750%	0.0256	0.00005469	RI
	Mary Frances L. Dotson & C. W. Dotson, W/H 390 Oakmond Drive Abingdon, VA 24211	Leased-EPC 244728L 01	0.043750%	0.0256	0.00005469	RI
	Ocie G. Sutherland, Widow 20120 Judith Way Abingdon, VA 24211	Leased-EPC 244728L 01	0.029167%	0.0171	0.00003646	RI
	Dennis Sutherland & Charlotte Sutherland, H/W P O Box 394 Nora, VA 24272	Leased-EPC 244728L 01	0.029167%	0.0171	0.00003646	RI
	Linda Carol Rainey & Don Rainey, W/H 7252 Timberland Drive Radford, VA 24141	Leased-EPC 244728L 01	0.029166%	0.0171	0.00003646	RI
	Equitable Production Company				0.00612500	WI
Tract 2 Totals			0.700000%	0.4100	0.00700000	

TOTAL COAL ESTATE

100.000000%

58.7700

1.00000000

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, 12-1, 1999. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:46 o'clock A.M, after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to:

Diane Davis

BY:

TESTE: JOE TATE, CLERK

D. CLERK

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DATE: 12/01/99 TIME: 11:44:50 ACCOUNT: UNCLAY7900082SE RECEIPT: 99000006380  
ISSUER: NLF REG: 2K06 TYPE: TTH PAYMENT: FULL PAYMENT  
INSTALLMENT : 9900082SE BULK: SSI FARE: REDURROD: 12/01/99 @ 11:44  
TRANSFER NAME : WA GAS & OIL BOARD EYE LOCALITY: ID  
TRANSFER NAME : EPS EX: N PERCENT: 100  
CARD ADDRESS :  
DELIVERED BY : DAVE DATE OF DEED: 11/13/99  
WHEN : 719 AM  
DESCRIPTION IS REPORT OF THE BOARD FINDINGS & ORDER NO-4017  
RE:  
INVESTIGATION: IN ASSUME VAL: 10 REP:  
LINE DESCRIPTION PAID DISC REGRN FIRM CALL  
DISCORDER 18.00 143 911F 1100  
  
DEBITED : 18.00  
AMOUNT PAID: 14.00  
CHANGE AMT: 100
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